

USAC

UNIVERSAL SERVICE
ADMINISTRATIVE CO.

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SCHOOLS AND LIBRARIES DIVISION

Kate Moore
President
kmoore@universalservice.org

April 19, 1999

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie R. Salas
Secretary
Federal Communications Commission
12th Street Lobby, TW-A325
445 12th Street, S.W.
Washington, D.C. 20554

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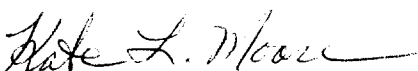
In re: CC Docket No. 96-45

Dear Ms. Salas:

On Friday, the attached table was transmitted to the Common Carrier Bureau regarding Year 2 demand estimates for the Schools and Libraries Universal Service Support Mechanism.

In accordance with Commission rules, I am submitting two copies of this correspondence to the Office of the Secretary for the docket. Please acknowledge receipt hereof by affixing a notation on the duplicate copy of this letter furnished herewith for such purposes and remitting same to the bearer.

Sincerely,



Kate L. Moore
President

Enclosure

Cc: Chairman Kennard
Commissioner Ness
Commissioner Furchtgott-Roth
Commissioner Powell
Commissioner Tristani
Irene Flannery
Lisa Zaina
Sharon Webber
Lisa Boehley
Lawrence Strickling

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SCHOOLS & LIBRARIES DIVISION

Kate L. Moore
President

Kmoore@universalservice.org

April 16, 1999

Mr. Larry Strickling
Chief, Common Carrier Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Dear Mr. Strickling:

Attached you will find a table reflecting our best estimate of total requests for Schools and Libraries Universal Service Support Mechanism discounts for Program Year 2 contained in the more than 32,000 FCC Forms 471 that were received in the filing window that closed on April 6, 1999. This estimate is based on data from over 15,000 applications.

This estimate was developed with guidance and assistance from Mr. David Cox, a professional statistician with QuanTech in Rosslyn, Virginia. The estimate is based on three components of Year 2 requests: (1) 100% of requests included in applications that were data entered by April 6; (2) 100% of requests contained in applications filed by 245 of the 300 largest applicants from Year 1 as measured by total discount requests in Year 1; and (3) the requests contained in a random sample (4,896 applications) of all other applications received by the close of the window.

The sample was designed to produce a margin of error of less than 5% (at a 95% confidence level) in the estimate of total requests without regard to service type. In short, the total demand estimate, post-discount, is \$2.435 billion, plus or minus \$112 million, at a confidence level of 95%. The estimates of total requests for Priority 1 services (telecommunications, Internet access, and dedicated services) and for Priority 2 services (internal connections) have margins of error of 6% (at a 95% confidence level). While estimates are given within each cell of the table (service type by discount band) and those estimates are the components of the total estimates, they have much lower levels of reliability and are not presented as true predictions of requests.

If you have any questions, please let me know.

Sincerely,

Kate L. Moore

Attachment

cc: Lisa Zaina, Deputy Chief, Common Carrier Bureau
Schools and Libraries Committee/USAC Board

SCHOOLS AND LIBRARIES DIVISION
 UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
 YEAR 2 DEMAND ESTIMATES (POST-DISCOUNT)
 AT 95% CONFIDENCE LEVEL

(For Discount Requests Received by April 6, 1999, 11:59 PM)

4/16/99

Discount	Internal Connections	Internet Access	Telcomm Services	Total Estimates
20:29	\$1,527,428.18	\$479,825.96	\$2,042,776.45	\$4,050,030.59
30:39	\$2,529,000.90	\$815,579.37	\$4,681,940.09	\$8,026,520.36
40:49	\$49,656,625.70	\$14,947,799.74	\$98,481,317.25	\$163,085,742.69
50:59	\$86,205,866.83	\$19,367,157.14	\$107,872,635.68	\$213,445,659.65
60:69	\$156,782,942.07	\$23,139,434.33	\$167,820,056.73	\$347,742,433.13
70:79	\$126,254,941.00	\$30,370,684.68	\$144,681,142.68	\$301,306,768.36
80:89	\$536,147,229.28	\$32,887,371.54	\$159,608,184.49	\$728,642,785.31
90:90	\$544,576,554.81	\$20,177,523.12	\$103,846,115.26	\$668,600,193.19
Total	\$1,503,680,588.77	\$142,185,375.89	\$789,034,168.63	\$2,434,900,133.29
	PRIORITY 2	PRIORITY 1	TOTAL	
	\$1,503,680,588.77	\$931,219,544.42	\$2,434,900,133.29	
Error Margin	+/- 6%	+/- 6%	+/- 4.6%	
Max	\$ 1,593,901,424.09	\$ 987,092,717.20	\$ 2,546,905,539.42	
Min	\$ 1,413,459,753.44	\$ 875,346,371.90	\$ 2,322,894,727.16	

* These figures are based solely on a sample and are subject to the variability noted above.

* Projections of requests at discount bands within service types are not reliable estimates. They are subject to much greater margins of error than sub-totals and totals.